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# Speech Delivered by the Hon. A. G. MacKay, on the Debate on the Budget

March 26th, 1908.

Hon. A. G. MacKAY. Mr. Speaker: In rising to continue this discussion upon the Budget the House will permit me a few remarks on certain criticisms advanced by honorable gentlemen opposite in the course of this Debate.

## NEGLECTED CHILDREN

The hon. member for South Waterloo (Mr. Pattinson) endeavored to make a strong contrast between the work of this Government and that of its predecessor with reference to the sub-department dealing with neglected children so ably presided over by Mr. Kelso, an appointee of the former Government. The hon. gentleman evidently forgets that when the Liberal Government proposed to appoint the present superintendent, Mr. Kelso, his appointment was opposed by the Conservative opposition and when estimates were brought down showing an appropriation for the purpose of carrying on this all important work our Conservative friends moved to strike the item out and divided the House upon it. (Cheers.) I have no doubt, sir, that excellent work is being done by the present hon. Provincial Secretary with reference to find foster homes for girls sentenced to the Mercer Reformatory, but I desire to point out that in this respect the former Liberal Government blazed the trail and he is but trailing the blaze. It will not be forgotten sir, that with reference to the boys sent to the Reformatory at Penetanguishene the Liberal Government first commenced this work—of finding foster homes and of placing them under proper influences. (Applause.)

## MINING ROYALTIES

The hon. gentleman claims great credit to the hon. minister of Land and Mines because of the large revenue that at present flows into the Provincial treasury as a result of mining taxes. He calls particular attention to the question of mining royalties and gave the hon. minister special praise for the establishment of this tax. The hon. gentleman evidently forgets that in the year 1905 when the hon. minister proposed to bring down his mining law that in answer to a question by myself across the floor of the House as to whether the mining tax were to be placed upon a royalty basis or not, he distinctly and emphatically stated that the tax would be on an acreage basis, much the same as farm lands, and that it certainly would not be upon a royalty basis. (Applause.) The minister however, did not proceed with the bill during that session and when he returned to the House in the year 1906 he frankly confessed to this House that he had changed his mind and that he had become convinced that the tax would be a fairer tax if placed upon a royalty basis. (Applause) Now, sir, I may say that I have not changed my opinion upon this question and in the light of experience I am prepared to argue now, as I then argued. It will be recalled, sir, that my argument then was that because mining is a very uncertain and a very hazardous occupation the assessment and taxation should proceed upon an entirely different basis than what it does in connection with any business where the rule and not the exception is that the business with proper handling will succeed. I said then, and I say now, that this Province, with reference to this great industry, can afford to be honest and fair. If men are willing to spend their time and their money in endeavoring in the first place to discover a mine and afterwards, being unable to tell in advance whether that mine will become a paying venture or not, they are willing to risk their time and their money in development work, this Province can afford to be honest and fair, and has no right whatever to tax any mining property



in any manner, shape or form until such time as it is and proves to be upon a paying basis. (Applause.) I said then, when it was proposed to place an accrage tax upon all mining claims, and I say now that this Province has no right whatever to tax any man for the pleasant past-time of spending his time and his money in endeavoring to obtain that which he may never obtain, namely a paying mine. This Province, I repeat, can afford to be fair and has no right to charge any man a single dollar unless it turns out that he has received value for his money. It was, therefore, sir, that I strenuously argued that the tax should be based upon a net revenue basis. (Applause) I argued then, and I argue now, that although what may be called a prospect or a mining claim may give fair indications of immediately becoming a good paying mine it may turn out, sir, that after the owner has spent a large sum of money and a great deal of his time in development work, the vein runs out and he receives no return whatever for his time and that his money has been completely wasted. That being so, sir, the fair way would seem to be not to impose the tax until results begin to be known and then to somewhat graue your tax, placing the weighty saddle upon the able horse. (Applause). I argued then sir, and in the light of experience, my conviction still is that, speaking generally, the basis of taxation should be along these lines, that no man should be compelled to pay a tax until Mother Earth should return to him the amount of his outlay and then that the royalty or tax should be upon a graded basis so that the poorer mines would escape with light taxation but the very wealthy mines, which to-day make millionaires and multi-millionaires, would with the heavier royalty pay far larger sums into the Provincial Treasury. (Applause).

I compliment the honorable, the Minister, in adopting to some extent my suggestion and in forsaking his original idea as to an accrage taxation and I only regret, sir, that, while the law makes some attempt to carry out the idea I suggested with reference to poorer mines, it doesn't go to the full limit of my suggestion and place a heavier tax upon the exceptionally well paying mines. In this way, sir, the poorer mines would escape taxation and the wealthier ones would pay the heavier tax and the result would be far more equitable and would, I believe, bring far more taxes into the Provincial Treasury. (Applause.)

#### TORONTO UNIVERSITY.

Something, also, was said by the honorable gentleman with reference to my criticism of the method of maintaining and financing Toronto University and University College. Let me say, sir, at the outset, speaking not only as a public man with an appreciation of the full responsibility of the position I at present occupy, but speaking also as a graduate of our great Provincial University—I am speaking also as the result of deliberate consideration of this whole question—I still hold to the view I expressed two years ago upon the floor of this House when I emphatically condemned the then proposed and now existing legislative method of providing funds for Toronto University. (Applause.) Sir, let me repeat here what I have over and over again stated upon public platforms that our Provincial University ought to receive the generous support and sympathy of every citizen of Ontario, and that to that end all and every means should be taken to bring the great mass of the people and our Provincial University into closer touch. I have found in connection with Toronto University that as a rule, to say the least of it, there is what might be called an aloofness between our Provincial University and the great masses of the people. Now, Mr. Speaker, I don't know any better way to get the rank and file of the people into closer touch with our University than by adopting every method possible to bring its representatives upon the floor of this House into closer touch with that great institution. If the estimated expenditure were brought down in this House from year to year and carefully considered by the members of this House and intelligent explanations were given by a responsible Minister with reference to every department and every sub-department of that great institution, who will dare say, sir, that Members of this House, representing the people, would not have a more intelligent knowledge of the work done by our Provincial University, and would not be brought more into sympathetic touch with it from year to year. (Applause.) Why, sir, should not the same rule prevail in connection with Toronto University that prevails in connection with all our other public institutions. (Applause). When, sir, two years ago this Government passed an act whereby without any further thought or voice of this House, one-half of the moneys that



come to the Treasury from Succession Duties pass over to Toronto University by means of an underground channel, I then raised the question as to why this institution should be treated differently to other public institutions such as our hospitals and asylums. I said then, and I repeat now, sir, that when we passed that act we stultified ourselves and we practically said to ourselves and to the people of this Province, "We cannot afford to trust ourselves to do the fair thing by Toronto University." (Applause.) Sir, I repeat, if estimates were brought down from year to year; if an intelligent and responsible Minister in response to questions asked were able to give intelligent and intelligible explanations of the work of the various departments of this great institution such, for example as the Biological department, the Mineralogical department, civil engineering, etc., we, the representatives of the people, would obtain a more intelligent understanding of the working of our great Provincial University and its affiliated colleges. We would thus be able to go back to our constituents and to justify every dollar of the expenditure; nay, we could go further and discuss intelligently with them the great work that institution is doing and its permanent and abiding benefit to this great Province. In turn, sir, the rank and file of the people would gather from the press as the result of discussions and explanations upon the floor of the House an intelligent and fair knowledge of the work done by our Provincial University and would thus become more and more interested in our great Provincial University and would in the long run take exactly the same interest in it that they do in the little red school house in the most remote township of this Province. (Applause.) Sir, I repeat that we ought to be intelligent enough; we ought to be loyal enough; we ought to be patriotic enough to trust ourselves, as the people's representatives, to do the fair thing from year to year by our great old National University. It doesn't follow that yearly that institution would be subjected to adverse criticism. The criticism might be of an extremely friendly and suggestive nature. Practical suggestions made year by year from those who come up from the people all over the Province ought to keep the institution more in touch with the Province as a whole. Doesn't the history of other public institutions in this Province justify this my argument? Who will dare say that the Agricultural College at Guelph would have thriven as it has thriven, subjected in its early history as it was to extreme adverse and unfriendly criticism, were it not that a competent and able Minister from year to year was given an opportunity to, nay, compelled to make a complete defence upon the floor of this House, and thus through the press to the people of this great Province. (Applause.) I repeat, sir, I do not believe if an attempt had been made to run the Agricultural College on the closed door principle, if it had been financed by under-ground channels, I do not believe it would have survived the adverse criticism to which it was subjected. But the fact that all work was done in the open has led to this result; that both parties are now a unit in praising the excellent work that is being done and has been done by that college, and we are to-day, regardless of party, more than proud of this great Provincial Agricultural School. (Applause.) My proposition is, in a word, that we year by year should vote estimates to Toronto University the same as we do to all other public institutions. (Applause.) It is the only proper method under any system of responsible government. We are the representatives of the people. It is the people's money that is being spent and it is our bounden duty year by year to honestly criticise the expenditure of every dollar of this money. (Applause.) Therefore, this Government, sir, departed in this respect from the good and safe principles of responsible government; and when this Legislature supported them in so doing this Legislature stultified itself and I believe did our great Provincial University a permanent and abiding injury by rendering it less possible to bring it into close and sympathetic touch with the great masses of the people who own, support and pay for this great institution. (Applause.)

#### THAT THREE-FIFTHS CLAUSE.

Now, Mr. Speaker, let me turn for a moment to certain remarks made by the honorable member for Centre Grey with reference to the subject of Local Option. That hon. gentleman is evidently extremely anxious to ascertain where I stand on the three-fifths clause. Why he should be in any doubt is more than I can understand. For two successive years we have divided this House upon this question and we purpose to put this House again on record and make every honorable gentleman sit up to the call



of the Yeas and Nays. (Applause). "Where does he stand upon this question of local option?" the honorable gentleman questioned. The very asking of this question in this form shows that the honorable gentleman has not given the subject very much consideration. The question in this abstract form is meaningless. The very phrase "local option" ought to indicate to him that the question is not an abstract but a concrete one, and doesn't deal with the absolute but the relative. When the honorable gentleman has given the question a little serious consideration and has got below the surface he will readily understand that the question involves a contrast between local option and the license system, and that while a man might honestly in one municipality vote in favor of local option as against the license system yet if he were living in another municipality he might prefer, and be absolutely justified in preferring, the license system to local option. (Applause.) When you come to consider how a man ought to vote in any particular municipality on this question you must consider the sentiment of the people; the probabilities of how it will work out; and take all local circumstances and conditions into consideration. Local option may work well, and is working well in a very large number of rural municipalities. It doesn't follow, because of this, that it will work well in the great city of Toronto. Then the honorable gentleman gave us an example of a peculiar course of reasoning. He argued strongly that a man should vote according to his convictions. I rather think the honorable gentleman was rather unfortunate in this respect because when he states personally that his conviction is that the three-fifths Clause is bad and that the law should not have been changed but that a majority vote should govern, it will be recalled that twice at least upon the floor of this House he voted with the Government in favor of the three-fifths Clause and thus by his actions gave direct contradiction to his words. (Applause.) Sir, he skimmed all around the dish and wound up by falling into it. (Laughter.) Then again he refers to the position I took at the great Liberal Convention in 1904. And he again shows that he doesn't understand the principle of local option. The stand that I took then, I believe was the correct one. What was the position? That great Convention had adopted the principle, afterwards placed upon the Statute Book, that where in any municipality 25 per cent. of the rate-payers petitioned the Council to submit a local option by-law that by-law must be submitted by that Council no matter what their individual opinions were upon the subject. It was with reference to the next clause that a difference of opinion arose in that Convention and it is as to this latter clause that the honorable gentleman endeavored to point his remarks. What was that next clause? The next clause provided that whether there was any probability of carrying a local option vote in many of the municipalities in this Province or not, yet the local option vote should be forced upon every municipality in the Province of Ontario at the municipal elections in January. Sir, I opposed that clause, and in the light of experience gained from the actual observation of the working out of local option since, I say emphatically that I still would oppose that clause. (Applause.) My position is this: if the people of any municipality want local option it is an easy matter to obtain the 25 per cent. petition and then the vote must come in that municipality. But, sir, I repeat it is absolutely unwise to force a vote upon any municipality unless there is a reasonable hope of the by-law carrying. I say it emphatically; I say it advisedly; I say it deliberately, that no good can come from forcing a local option vote upon any municipality where it is certain to be defeated. Does any one seriously contend that local option would have carried three years ago in all the municipalities in this Province of Ontario? This will not be seriously contended. It would have been defeated in a large number of the municipalities. Would any one contend that good would have resulted from its defeat in a large number of municipalities? No man who has lived in a local option town and who has seen and experienced the bitter feeling that a local option vote creates would desire to press the vote upon a municipality unless there was reasonable hope of carrying that vote. You create all the bad blood that a vote of that kind will create and you do no good to the temperance cause. Where there is a hope of carrying that clause the case is altogether different. At the Liberal Convention we provided an easy way of submitting the clause in any and every municipality in the Province of Ontario, but we declined to provide machinery for compelling municipalities to take the vote unless they desired. It must not be forgotten in discussing this question, and this particular phase of it, that the vote



proposed was not for Provincial prohibition. The Province was not the unit. Had the Province been the unit the question would be entirely different because then the minority of municipalities, though adverse to the vote, would require to give way to the aggregate majority. So that I submit, sir, the honorable gentleman, in endeavoring to prove inconsistency on my part has but made clear that my course throughout is quite consistent and his voice and his votes are absolutely inconsistent. (Applause).

#### PULP CONCESSIONS.

Another question referred to by my honorable friend was the Montreal River Pulp Concession. He endeavored to successfully criticize my argument made during the discussion on the Debate upon the Address, with reference to this pulp concession. In that debate I was combatting the idea that the new bargain made with reference to the Montreal Pulp timbers was entirely in advance of the old. I pointed out that the old contract was made in 1902, the new in 1907 at a time when these timbers had at least doubled in value. (Applause.) I was arguing then, as I now argue, that these pulp mills should be built not in Ottawa but up in the district where the timber is; that a water power in close proximity to the pulp timber should be developed so that the settler in coming in when cutting his timber would have a ready market at the mill for his timber; that a village would grow up near this mill-site and settlers would gradually move back. (Applause.) I then said, and say now, that the colonization idea contained in the old agreements which called for the erection of a mill, the employment of a certain number of hands in the particular district whence the timber is taken is the proper idea and I congratulate the honorable the Minister of Lands in placing a clause in his new agreement, in dealing with such conditions, in accordance with the clause contained in the old agreements. (Applause). I repeat now what I then said, namely that in future, with reference to granting concessions to any parties for cutting pulp timbers, the Government by its agents should ascertain at what point along any streams sufficient power could be developed, and should require the erection of a mill at such point as near a large stretch of pulp timber bearing land as possible. settlement will proceed and you transform the forest wealth of the district into another permanent asset, namely that of the village or town and the progressive settlement. (Applause).

#### NEW ONTARIO.

I repeat my then argument, sir, that we cannot afford continuously to rob New Ontario. We ought not to forget that while there is at least 25,000,000 acres in Old Ontario there are upwards of 100,000,000 acres in New Ontario, so that New, or Northern Ontario is over four times the size of Old Ontario. The work of the Liberal Government done towards obtaining some definite conception of the wealth of the north land is well known to all and the Conservative opposition to the sending out of surveying and exploring parties to ascertain such facts, is also well known. (Applause). As the result of such estimating and exploring parties what do we find? We find roughly speaking that we have pine timber to the value of about \$100,000,000; that there is in that great north land 288,000,000 acres of pulp-wood which, at present prices of 40c per cord is worth upwards of \$150,000,000, and which at the prices it will shortly obtain will be worth probably \$300,000,000. (Applause). Then we recall to mind also, sir, that the great clay belt to the north of the height of land contains nearly 16,000,000 acres of splendid arable land which is well clothed with spruce and other timbers, that this area is larger than the whole area of the land actually under cultivation in Old Ontario and that if developed and settled this one clay belt alone would support a population of at least 1,000,000 settlers. (Applause). Then, sir, when we take into consideration the route of the Grand Trunk Pacific now being built and the effect that the railway will have upon trade and commerce generally and particularly the effect that it will have or fail to have, according as we do or do not adopt a strong colonization policy in that north land; I say we dare not stand shivering on the brink of duty but we must adopt at once a decidedly aggressive and progressive policy. (Applause) Sir, no sane man can place before him a map of Ontario and intelligently consider the possibility of that great north land and also consider the easterly and westerly course of trade and commerce when the Grand Trunk Pacific shall have been completed, without



coming absolutely to the conclusion that it is in the best interests of Old Ontario that by means of a proper railway system she gets into touch with the G. T. P. at different points and intercepts and creates her fair share of the trade and commerce that will naturally result, and flow from the development of not only our own northern Ontario but also of the west and the far west. (Applause). This question, sir, is of paramount importance, particularly to western and south-western Ontario, to all those portions of Ontario in touch with the Georgian Bay, Lake Huron, Lake Erie and Lake Ontario. (Applause).

#### FINANCES.

Having dealt with these other questions raised during the course of the Debate let me turn now to a consideration of the Budget proper; and at the outset let me say that we can all agree after hearing the speech of the honorable the Provincial Treasurer, and perusing his financial statement, that things are not so bad but what they might be worse. (Laughter). The honorable Treasurer announces the total receipts of last year as \$8,320,419.19, and the total expenditure as \$7,714,245.61, leaving a surplus—as he argues—of \$605,173.58. It is interesting in this connection to apply to his present speech and his present statement the line of argument that he formally took when Financial Critic for the Opposition. In raising the question of whether certain revenue ought to be placed under capital or current account the "Mail & Empire" of 10th February, 1904 quotes the honorable gentleman as follows: "The receipts for 1904 were \$5,466,000 and the expenditure \$4,888,000..... deducting the proceeds of timber sales and the return of drainage debentures, an ordinary revenue remained of only \$4,109,000." Now sir, if the honorable gentleman were to apply his own style of book-keeping and adopt the line of reasoning that he formerly used when in Opposition he would be compelled to announce not a surplus of upwards of \$600,000 but a deficit of upwards of \$800,000. Let me make this clear to the House. The following items are surely, according to his former argument, capital receipts. Received from sale of crown lands, \$1,254,303; from timber bonuses, \$152,223; return of drainage debentures, \$18,225; in all \$1,424,751. Deduct this from total receipts of \$8,320,419 and we have a current revenue of \$6,905,668 with a current expenditure of \$7,714,245, or an absolute deficit for the year 1907 of \$808,577. (Applause) Sir, the honorable gentleman cannot get away from his own reasoning. The question of whether the receipts from timber sold, should be classed as a current or capital receipt may be debatable because timber may reproduce itself, but, sir, the question as to whether the price of Crown lands sold out and out is current or capital admits of no possible difference of opinion. So that even if you discard the question of timber bonuses and the question of drainage debentures you still have an absolute deficit of about \$600,000. (Applause). I repeat there can be no question as to where the receipts from the sale—an absolute sale—of land, whether mining or otherwise, should be placed. You might as well tell a man he can sell a farm, get the full price and still get annual receipts from the farm as argue to us that an absolute sale of this land produces current receipts.

PREMIER WHITNEY: We have the money.

Mr. MacKAY: You have the money certainly but it is absolutely a capital receipt and not a current receipt. (Applause).

#### MINING RECEIPTS.

Well, sir, the present Government are extremely fortunate in that the mining boom has brought them large receipts not available to former governments. Sir, the total receipts from mining in 1904 were but \$27,000. The total mining receipts last year from royalties, recording fees, etc., amounted to \$1,690,340. Then again the present Government last year were in receipt of the half yearly payment of the extra subsidy obtained from the Dominion through the re-arrangement of subsidies, amounting to \$394,743; so that from these two sources alone the present Government last year obtained the very large sum of \$2,085,083 which is exactly \$2,058,083 over that of the year 1904. The honorable, the member for Centre Grey says "We are giving the money back, we are not keeping it." Of course they are distributing the money. What does the honorable gentleman think the Government is; does he suppose they



own the Province and its receipts? Are they not merely trustees for the people? (Applause).

### CONSTRUCTIVE FINANCE.

But, sir, there is no field where the Liberals of the Province of Ontario stand so strong as when discussing the great questions of finance. I have shown, sir, that in 1907 as compared with 1904 the receipts under two heads alone run upwards of \$2,000,000 in the latter year as compared with the former just as a natural result of conditions and not attributable in any way to the present Government. But, sir, let me consider briefly three questions of constructive finance. Under the Succession Duties Act last year the receipts were \$821,692.99; under the Supplementary Revenue Act the receipts last year were \$672,241.76; under the Act dealing with Brewers and Distillers, in the neighborhood of \$75,000.00. The passing of the latter two acts, it will be recalled, were absolutely and vigorously opposed by the Conservatives, while in Opposition, and the first mentioned act received a qualified opposition. The total receipts under the said three mentioned acts since they were placed upon the Statutes by the former Liberal Government are as follows: Under Succession Duties Act, \$5,213,727; under the Supplementary Revenue Bill, \$3,368,700; under the Special Tax on Brewers and Distillers \$580,877, making a grand total of \$9,163,304. Of this, sir, not one dollar of the latter two items, amounting in all to \$5,213,727, would ever have found its way into the Provincial Treasury if the votes of the Conservatives when in Opposition had prevailed (Applause). In addition to that I repeat that the receipts under the Succession Duties Act would have been cut in half had they succeeded in their amendment which they moved in 1899. (Applause). So that I repeat that when the policy of the Liberal Party is compared with that of the Conservative Party with reference to Finances the contrast is over-whelmingly in favor of the history of the record of the great Liberal Party. (Applause).

### EXCESSIVE EXPENDITURES.

Now, sir, several gentlemen on this side of the House have gone somewhat minutely and in detail into the question of the rapidly increasing expenditure of this Province. Perhaps the most startling statement that has been made during the whole course of this Debate was made by the honorable the member for East Huron when he made it abundantly clear that the per capita expenditure of the Province of Ontario in the year 1872 was but \$1.50 and in 1904 it had increased only to \$2.50 and in the short three years thereafter it had increased to \$3.50; in other words the per capita expenditure has increased as much in the three years of Conservative rule as it did in the 33 years of Liberal rule. (Applause.) This startling announcement should be sufficient of itself to call the attention of this Government and the people of the Province to the necessity of closely scrutinizing every detail of expenditure. It may be well for us to consider some of the expenditures that are so rapidly advancing. Take Civil Government for example: our expenditure in connection with Civil Government in 1904 was \$344,006.28; in 1907 it had rapidly run up to the figure of \$502,883.20, or an increase in those three short years of upwards of 46 per cent. (Applause). Sir, when we call attention to facts such as these we sound a note of warning that the Government ought to pay attention to in order that they may adopt a more economical method of handling public affairs. Under the head of Legislation our expenditure in 1904 was \$200,011.14; in 1907 it was \$223,327.80, or an increase of nearly 12 per cent. Under the head of Administration of Justice the expenditure in 1904 was \$482,460.67; in 1907 it was \$579,598.16, or an increase of upwards of 20 per cent. Then we come to the great question of Agriculture. I may note that I do not think the expenditure in connection with this important department is at all keeping pace with the requirements and importance of the work. I believe, sir, that the honorable Minister of Agriculture is the weak sister in the combination. The figures, as handed to me, indicate that the expenditure upon Agriculture in 1904, (including the bonus given to encourage the growing of sugar beets) was \$468,481.22, and in 1907 it is said to be \$480,317.84, or an increase of less than 8 per cent. I make the statement that I made at the Agricultural College, when Members of this House visited it recently, namely that in consideration of the tremendous field the Agricultural Department had to cover, it does seem to me that this House would not be amiss if it gave a greater proportion



of Agriculture than is being done now by the present Government or than was formerly done by the old Government. (Applause). When we consider, sir, that this proportion is to cover not only the maintenance of the Agricultural College, the Agricultural Schools, all Agricultural Societies, etc. etc., when we take into consideration the importance of the work, that is the great basic industry of this Province, I repeat, sir, that regardless of politics and regardless of drawing fine distinctions as between what this or that Government did, this great industry ought to receive more than it does from the upwards of \$8,000,000 of our annual revenue. (Applause) Again, sir, I find that the total expenditure for the year 1904 of the Province of Ontario was \$5,267,453.02, whereas the total expenditure in 1907 was \$7,714,245.61, or an increase in these short years of \$2,446,792.59 or about 46½ per cent. Honorable gentlemen opposite say: "Give us details, give us items to which you object." Let me turn for example to the question of legal fees. What do we find? We find well up to \$50,000 spent for legal fees alone in the year 1907. The figures handed to me as expenditure for legal fees in 1904 were only \$14,093 and this included Crown Counsel prosecutions in both cases; making, as this is figured out, an increase in three years alone of 240 per cent. (Applause.) But, sir, in answer to this argument one honorable gentleman calls attention to the expenditure in connection with legal fees in 1903. This year is selected against Liberals because of the expense of the Gamey Commission which cost the Province \$30,807, \$17,437 of which was paid to Conservatives and but \$13,500 to Liberals. Now, sir, the figures handed to me indicate that in 1904 there were 214 permanent and 86 temporary employees in the Inside Service. In the year 1907 these had increased to 272 permanent and 117 temporary and the cost had increased from \$344,000 to \$502,000, or about 51 per cent. Taking the different sub-headings, sir, the figures handed to me indicate the number of employees of the Attorney-General's Department to be 9; in the present year (including the Railway Commission) 26. In the Educational Department the increase runs from 15 to 19; Crown Lands Department from 46 to 61; Provincial Treasurer's Department from 23 to 30, and so on. Then, sir, the cost of investigations are excessive. (Applause.) When the present Government desires to introduce the spoil system and remove some Liberal from office, the head of the Department has not the manliness and courage to dismiss him but some commissioner is called in to go through the farce of holding lengthy and expensive public enquiry in order to pave the way for the dismissal of such officer. (Applause) In addition, sir, to a large number of such investigations mentioned in the public accounts we have upwards of \$9,000.00 placed under miscellaneous heads. I may say, sir, that I have not been able to find any mention of Lord High Executioner Judd from the City of London, the gentleman who has so often been called in to do the work that the head of the Department has been ashamed to do directly. (Applause). I would like to know what amount of money has been paid to this convenient and distinguished gentleman. (Applause). The public have a right to the details and the public accounts should spread his name out definitely upon its pages. If, sir, this farce is going through an investigation is to be continued when it suits the convenience of this Government to dismiss a civil servant, at least the public is entitled to a specific statement of the cost of the farce. We know, sir, what Radcliff's fees were wont to be when he acted as executioner; we have the same right to know the fees of his distinguished fellow-craftsman, Mr. Judd of London. (Applause).

### THREE-FIFTHS CLAUSE.

Certain comments made by honorable gentlemen opposite recall again to my mind the three-fifths clause. The position of honorable gentlemen on this side of the House upon this question has over and over again been recorded and reported. We believe it is right to trust the people and in trusting the people to trust the majority rather than the minority. (Applause). That was the conception of the old law since Confederation and I have always thought it was not right to change it. This is the great weakness of the Government in all its branches. The Government of to-day will not trust the people. I desire to say further, I do not think it is the difference between 50 and 55 or the difference between 55 and 60 per cent that will enforce the law. When it comes to enforcing the law that depends



largely upon the question whether you have an energetic and active officer enforcing it or not. (Applause.)

### SPOILS SYSTEM.

The mention of these investigations and the name of Mr. Judd and others conveniently used in his capacity brings up the fact that this Government has given us an illustration for the first time in Canada of the introduction of the thin-edge of the wedge of the spoils system. (Applause.) Perhaps, sir, in no respect has this become so apparent as in the one of the administration of the Liquor License system. The honorable Premier and the Government boast and have boasted that they have carried out all their undertakings and promises made while in Opposition. I challenge that statement, Mr. Speaker. For example, in connection with their promises as to the administration of the Liquor License system they stand condemned of absolute duplicity before the people of the Province of Ontario. (Applause.) Go back with me to the year 1883, and the journals of the House show that the then leader of the Opposition moved a resolution which expressly stated that it was desirable to remove this system from party influences and thereafter License Commissioners should be appointed in Counties by the County Councils and in cities and towns, separate from counties, by the Councils thereof and that the power of appointing one or more License Inspectors in each license district should be vested in the Board of License Commissioners. The journals of the House show that resolution was moved in 1889 and again in the session of 1890 the following resolution was moved:—"That the License Commissioners shall hereafter be appointed in counties by the County Councils, and in cities and towns separate from counties shall be elected by the municipal electors of each city or town"; and again sir, in the year 1896 I find, on page 76 of the Journals of the House, a resolution moved by the Conservative Leader and supported by every Conservative member of the House stating that the Board of Commissioners should be composed of the County Judge, the County Warden and one appointee of the Government. Sir, the resolution of 1896 received the unanimous support of the Conservatives of this House and that resolution was never publicly withdrawn and as late as 25th November, 1904, at the Conservative Conference held in the city of Toronto two months before the election, the Premier of this Province distinctly and emphatically stated that he would remove License Commissioners and Inspectors from party influence, etc., etc. I ask any sane man in the Province of Ontario whether any attempt has been made to carry out this well announced and distinctly defined policy of the Conservative party as announced while in Opposition. (Applause.) True, sir, they removed every License Inspector, excepting three, in the Province and all License Commissioners. (Applause.) What system did they adopt instead? Sir, did they remove the appointment of either the Commissioners or the Inspectors from party influence and party control? I say emphatically they did not. Allow me to say here, and I say it advisedly as a result of having been in all parts of this Province, and as a result of information received from the different localities, that I do not believe the Liquor License Law is enforced one whit better now than it was during the latter years of Liberal administration. (Applause.) Now, sir, I am willing to give the Premier this much credit that I believe at the outset there was an honest intention of endeavoring, in the City of Toronto, to fairly administer the Liquor License system. The written resignation of the three License Commissioners, Messrs. Flavelle, Davidson and Murray indicates this when they say that "They accepted at full value the statements made by the Premier and his responsible minister, the Provincial Secretary, that they desired an honest, non-partisan administration of the License Act and as no other administration would be possible while the office was held by the present Board they stepped aside to permit the Government to secure a Board in accordance with their present policy." I say, sir, they argue that they had the written promise of the Premier and the verbal promise of the Provincial Secretary.

Mr. WHITNEY. I deny that they had my written promise.

Mr. MacKAY. I accept the honorable gentleman's denial. Perhaps it was the other way around—that they had the written promise of the Secretary and the verbal promise of the Premier. But, sir, I do not stop to cavil over whether the promise was verbal or in writing. A man's word ought to be as good as his bond. (Applause.) I have not, sir, their



whole statement before me, but it may be, and possibly it is, that in their statement they say that it was the Provincial Secretary that gave the promise in writing and it was the Premier who gave the verbal promise. (Applause). As far as Toronto is concerned during the short period of eight months or so Messrs. Flavelle, Davidson and Murray certainly deserve the thanks of the public in attempting to give—as they claim they had the promise of the Premier and the Secretary to be allowed to give—a strictly business and non-partisan administration of the Liquor License system. They say, sir, that both the Premier and the Minister responsible for this Department promised them a free hand in this respect. (Applause). But, sir, we know the result. The lower element of the Conservative party proved too strong for this Government and this Government gave way to the hungry ward-heeler with the result that the Commissioners resigned and the Inspector was dismissed. (Applause.) That is the net result of the spoils system. I desire to make my position clear here, sir, It doesn't matter whether it be a Liberal Government that be in power or whether it be a Conservative Government that be in power. If either gives way to the cravings of the lower element of the party and good men are to be dismissed from office simply because hungry ward-healers desire the same, then we have the spoils system introduced with all its vicious and pernicious consequences. (Applause). I am not sure, sir, but what the spoils system is a natural and logical result of the extreme party system, and seeing, sir, that this Government has to a very considerable extent introduced the spoils system I think it is high time to advocate, as I now advocate, a step in advance along the lines of

#### CIVIL SERVICE REFORM.

It is interesting, Mr. Speaker, to notice the progress that has been made along the line of Civil Service Reform in many other lands. In the United States in 1883 Congress provided for a Civil Service Commission of three members, not more than two of whom should be of the same political party, and although this system was introduced only into the departments of Customs and the Post Office yet within the next twenty years no less than 25,566 appointments were made as a result of competitive examination. New York, Illinois, Wisconsin, Massachusetts, Pennsylvania and other States have similar statutes. New Zealand has also adopted this system. In England in 1870 a Civil Service Commission was appointed to test the qualifications of all intending applicants and thereafter competitive examinations were conducted by the Commission. Later on a period of probation was arranged for appointees of the Civil Service where the chief of the department was given some discretion in the matter. But, sir, I do not worry the House as to details. I think, perhaps, the law adopted by the State of Wisconsin, which in many respects will bear comparison with Ontario, and which is Chapter 363 of the Statutes of 1905, would be very suitable to the Province of Ontario. In it three Commissioners, not more than two of whom shall be of the same political party, control the appointment of all Civil Service appointees, including mechanics, artisans, laborers, etc. The three Commissioners are appointed by the Government with the consent of the Senate. Under this Statute, sir, when any vacancy occurs, the Head of the Department notifies the Commission and they send him the names of the three highest applicants qualified in that particular line. One of these three is appointed on probation and becomes a permanent appointee if found suitable to the Head of the department. In a word, sir, I say that if the Civil Service were conducted upon a basis of this kind it would be more efficient; the man who entered the Civil Service would know that promotion and permanence of employment depended, not upon political work, but upon efficiency in his work. Therefore, sir, there would be no inducement for any Civil servant to take part in politics but the inducement to him would be to become a successful servant of the people. Not only, sir, would this system produce more efficient servants but what is perhaps of even more importance, it would tend to wonderfully elevate the tone of political life. (Applause.) I say, sir, if it were known to the whole rank and file of both parties that work as a ward politician would not constitute a recommendation in any way for appointment to the Civil Service this would decidedly elevate the tone of political morality. (Applause). We would then, sir, not find men busy working for either party with the hope of private gain or appointment consequent thereon but men who taking part in politics



with no ulterior motive, other at all events, than that of advancing their own particular party. Thus, sir, we would have volunteer work of a better class in both political parties with better results to both parties. (Applause).

#### LAW REFORM.

In as much as there is a resolution upon the order paper dealing with the question of Law Reform I do not now propose to discuss it at any length except to express my regret that no measure of actual law reform is to be brought down this Session. I find, sir, that in the year 1904 the present Premier moved a resolution of condemnation of the old Government because of their inaction on the subject of law reform. Having adopted the same while in Opposition this Province will regret that no direct steps whatever have been taken to carry out the promise implied therein. The resolution on the order paper excuses present action upon the pretext that it will be advisable to enter into negotiations with the Dominion and Imperial Parliaments with reference to the question of curtailing a few of the appeals either to the Supreme Court or to the Privy Council. I find in 1906 out of 4000 cases entered in the High Court only one-third of one per cent. reached the Supreme Court and only one-fifteenth of one per cent. went to the Privy Council. It is quite clear, therefore, that the Government should have brought down the fullest measure of law reform within the jurisdiction of this Province in order that the measure might become incorporated in the Revised Statutes when they are published this year or next year. (Applause).

#### POWER QUESTION.

Some years ago legislation was passed having for its object the grouping of municipalities in order that electric energy or power might be secured for heating, lighting and power purposes by the municipalities interested. Under the law as it then stood the municipalities apparently were unable to agree sufficiently to accomplish practical results. Therefore, a new Act was passed in 1906. The provisions of that Act are quite clear and this Government ought not to have blundered as to procedure with reference to this very important question. Section 6 of the Act of 1906 makes it clear that when any municipal corporation applies to the Hydro-Electric Commission for the transmission to such municipal corporation of power or energy, the Commission ought to furnish full and complete estimates of the cost of constructing and maintaining transmission lines, etc., and the Act is extremely explicit that in addition to furnishing the terms and conditions upon which such power or energy may be transmitted or supplied the Commission was obliged to also furnish a form of contract to be entered into between each municipal corporation and the Hydro-Electric Commission. Had the terms of the Statute been complied with much difficulty and uncertainty would have been avoided. On account of the fact that the law was not complied with, not a single by-law passed by the municipal councils in January 1907 was worth the paper it was written on. Prior to the submission of the by-laws in the respective municipalities each municipality should have been furnished with all details of cost, such as the cost of right of way, the cost of transmission lines, etc., and should also have been furnished with the form of contract so that the same might have been published and the rate-payers in each municipality might thus know what obligations they were assuming. In addition to this had such information been forwarded to the municipalities they would have been in a position to have tested the accuracy of the figures and could have taken every necessary precaution. The municipalities under the Statutes are obliged to pay the whole cost and the Province is not liable for any portion thereof; therefore, the Hydro-Electric Commission, acting as advance agent for the municipalities, ought to have given to its principals, the municipalities, every detail of information called for by the Statute. But, sir, though the Statute of 1906 explicitly and definitely says that prior to the submission of the by-laws that a form of contract shall be forwarded to each municipality, even yet no such form of contract has been forwarded. It would only have been fair to the municipalities to have submitted to every one of them the total cost of the right-of-way, the total cost of the construction of the transmission line, etc., etc.; then to have made an equitable apportionment of the whole total cost for each municipality so that each municipality would know approximately at least what its liability would be. Instead of that the



municipalities apparently voted largely upon faith and upon the express statement of the Minister of Power that the cost of power to each municipality would not exceed a certain figure. I was astounded, sir, last fall to find that the Minister of Power, after having dealt with this question for two or three years, stated at a public meeting at Brantford that the Government would submit estimates to the municipalities and that if the actual cost were greater than the estimates the Province as a whole would be obliged to pay the extra cost or difference. Sir, I immediately attacked that position and pointed out the unfairness to charge any of the cost up to the Province generally in as much as a limited number of the municipalities only could be benefitted and I argued that it was not fair to charge to the Province as a whole work from which the Province as a whole received no benefit. I stated then, and say now, that it would not be fair to tax the farmers all over the Province, nor the manufacturers outside of the electric zones, and to compel them to assist in hauling cheap power to manufacturers and others within the electric zones. After I had attacked the position taken by the Minister of Power in his speech at Brantford I find that on the 23rd November last he gave a statement to the newspapers to the effect that subsequent to his Brantford speech the Act had been looked into by the legal adviser of the Commission who held that his position was wrong. Sir, any intelligent ten year old reading the proviso at the foot of Section 6 of the Act would not need to go to a lawyer to learn that the Act did not contemplate that the Province should be liable for a single dollar. (Applause). Section 24 of the Act of 1907, which repealed the Act of 1906, is also clear and explicit and is in the following words: "Neither the Province nor the Commission nor any member thereof shall incur any liability by reason of any error or omission in any estimates, plans or specifications prepared or furnished by the Commission." One was astounded therefore to find that the honorable the Minister of Power, after dealing with this question for two years or more, didn't seem to even understand the Statute which created him and his Commission and which defines the rights and liabilities of the municipalities and the non-liability of the Province. What confidence can the people have in the lead of a Minister who thus misleads the municipalities. Section 12 of the Statute of 1907 is also quite clear as to procedure. Under it when a municipal corporation makes application to the Commission the Commission must furnish to the municipal corporation:

1. An estimate of the maximum price per horsepower at the place or point of delivery.
2. An estimate of the cost of constructing and maintaining the transmission lines, etc.

The Council may thereupon enter into a provisional contract with the Commission which provisional contract, together with the by-law and the estimate or a summary thereof, must be published prior to the voting upon the by-law. The intention and object of both Acts was quite clear, namely that all the information, including the nature of the contract, should be published in order that the rate-payers might read the same, understand the terms, and thus vote intelligently. Unfortunately, however, through the blundering of the honorable the Minister of Power the terms of the Statute were not complied with and the rate-payers and the municipalities were therefore not given the full information required by the Statute. The result is that the rate-payers have empowered the councils of the several municipalities to enter into contracts to pay for power up to a certain figure. If the actual cost is more than this the Councils have no power to enter into a contract to pay for the same because the rate-payers have not given them authority to do so. It follows, therefore, that if the Government uses Provincial funds in advance to construct the transmission lines and these lines cost more than the figures given the municipalities by the Minister of Power, the Province will have to pay the difference between what the councils were authorized to pay and the actual cost. The Minister of Power by his blundering thus placed the Province and the municipal councils in an awkward position. Unless, therefore, further legislation is passed to remedy the defective work of the Commission the work cannot safely be proceeded with. I agree entirely with the opinion expressed by G. F. Shepley, K.C., when he says with reference to the by-laws that the law was not at all complied with and therefore that the procedure was illegal and absolutely defective. (Applause). Thus, sir, at the end of



three years \$75,000 of the people's money has been spent and the blundering work of the Hydro-Electric Commission has left the Province and the municipalities in this awkward position in dealing with a question that is of such prime importance to the municipalities interested. (Applause).

#### FAILURE AS TO TORONTO.

Now, sir, dealing with the Toronto end of this question I say that the Government knew exactly what the nature and the terms were of the contracts entered into prior to their taking up this great question. They knew of the contracts with the Ontario Power Company, the Canadian Niagara Power Company and the Electrical Development Company. So that when the Government started out with its present power policy it knew exactly not only the terms and conditions of these agreements but also of its own possibilities. Now, sir, let us briefly review these contracts. In 1892 we find an agreement made with the unanimous consent of this House which no Government to-day with the knowledge which people now have as to the possibilities of transmitting electric energy, would think of making. By that agreement the Company was given the sole and exclusive right to generate, develop and transmit electric energy. The Canadian Niagara Power Company having done nothing under the agreement made with them in 1892 the Legislature in 1897 empowered the Ontario Niagara Falls Park Commissioners to negotiate with them as to the surrendering of their exclusive right. On the 31st March, 1899 the honorable A. S. Hardy, explained that he had hoped that the negotiations between the Province and the Rankin Company would have so far progressed that an agreement for the surrender of the monopoly would have been ready before the House rose so that its ratification by the Legislature would be possible that session. The illness of Mr. J. W. Langmuir, Chairman of the Parks Commission, had delayed the negotiations. It was, he said extremely desirable that terms should be come to with the company so as to abrogate the monopoly clause, and it was proposed to give the Park Commission power to do this and to enter into arrangements with the new Company when the monopoly was out of the way. The Government felt, he stated, that having reached a certain stage in the negotiations it would be a mistake to throw the matter over to the next Session, and therefore they asked the authority contained in Sections 35 and 36 of the Statute Law Amendment Act of that year. These clauses were passed and as a result the monopoly clauses in the old agreement were wiped out and a new agreement entered into with the Canadian Niagara Power Company by which the exclusive right to develop power was taken away, the Company were to pay \$15,000 per annum and in addition to pay \$1.00 per annum for each horsepower used and sold up to 20,000 horsepower and 75 cents for every horsepower from 20,000 to 30,000 and 50 cents for every horsepower over 30,000. The Commissioners agreed not to develop power themselves but they made this very important exception that in case the right to generate, develop and transmit power were given to any other person or corporation and that person or corporation failed the Commission could forfeit their license, take over their works and then the Commission could operate such work for the generation, transmission, sale or lease of electric energy or power. The agreement with the Ontario Power Company made on the 9th day of April, 1900 contained similar conditions with similar rights reserved to the Park Commissioners. Then followed the agreement made with McKenzie Pellett & Co., on the 29th January, 1903, paragraph 16 of which reserves to the Commissioners the right that if they find it necessary to forfeit the license and take over the work of any other Company that they may generate, transmit and sell electric power; so there is the right through all these agreements, the all important proviso that in case any Company fails the Government may take charge of the works and operate them for the public benefit. Such, sir, are in brief the salient features of the old agreements. How, then, did this affect the Toronto situation? What were the rights and duties of the Government at the time that Major St. Aubyn on the 29th of January last, interviewed the Premier on behalf of the English bond-holders. As I understand it, the Electrical Development Company had disposed of \$8,000,000 worth of bonds. There were \$6,000,000 worth of common stock. The company was in default; there was a heavy payment due on the first day of March which the Company were unable



to meet. Major St. Aubyn, acting for the British bond-holders, approached the Premier of the Province of Ontario and asked him plainly whether he was prepared to discuss the situation and listen to a proposition. The honorable, the Premier, promptly answered "No" and thus prevented the Major from making any proposition or discussing any terms. A portion of the Premier's speech upon the floor of this House is reported in the *Globe* of March 11th, as follows:—"There was no reference what-over to the City of Toronto and one thing I have to say before I finish is that I fail to understand the Leader of the Opposition's reference to Toronto in this motion." This, unfortunately, was the attitude taken by the honorable the Premier. The Premier apparently failed to understand that the Government, or the Hydro-Electric Commission, in this whole matter is only an advance agent of the municipalities interested. The municipality particularly interested in this particular question is Toronto. Surely it was the duty of the agent to acquaint the principal of the possibilities of a favorable bargain being made. But, wonderful to relate, the honorable the Premier asked the question, "What had Toronto to do with the situation?" My answer is Toronto was practically the only municipality in the whole Province of Ontario that was practically interested in the very question that Major St. Aubyn raised on behalf of the English bond-holders. The transmission of power from Niagara practically serves Toronto and Toronto alone. I contend, sir, it was the bounden duty of the Premier, and it was an extreme breach of faith on his part as agent for Toronto not to have at least learned the terms that Major St. Aubyn was prepared to make and then immediately to have submitted the same to the City Council. (Applause.) The British bond-holders evidently held the key of the whole situation. The Company were unable to pay the heavy payment which would fall due on the first of March. The bond-holders could have sent the Company to the wall, making a failure within the terms and meaning of the contract, and then the Commission, by virtue of the provisos contained in the several agreements, could have stepped in, taken possession and operated the whole plant and works. I do not argue the question whether Toronto would have accepted the proposition or not but I do say that the Premier's position in this matter is absolutely incomprehensible. At the very moment when there was, at all events, an offer to discuss terms whereby the whole plant might have been taken over; and when, at all events, the City Council could have considered whether it would have paid them to take it over or not and thus have saved the waste of unnecessary competition, the Premier asks the ridiculous question. "What had Toronto to do with the situation?" or to be exact, as he is quoted in the *"Globe"*, "I fail to understand the Leader of the Opposition's reference to Toronto in this motion." My questions on the order paper, subsequently put in the form of a motion, were merely enquiring whether Major St. Aubyn had made any proposition, and if so as to whether the Premier had made the terms of such proposition known to the City authorities, and further, as to whether he had done anything whatever towards bringing Major St. Aubyn and the City Council together. The Premier's incomprehensible attitude is practically contained in the question: "What had Toronto to do with the matter, anyway?" In a word, then, sir, the Government had done all that it could to ruin the Canadian Company; the Electrical Development Company was practically unable to meet its payments, was tottering to a fall; Canadian credit had been shaken and injured in the English market; and all the harm had been done that could possibly be done by the Government along all these lines, and yet at the very moment when there was a possibility of getting good out of evil the Premier slammed the door in Major St. Aubyn's face and no negotiations whatever were allowed to take place. (Applause.) I, sir, was innocent enough to think that it was the bounden duty of the Premier at this particular time to bring the representative of the bond-holders and the Council of the City of Toronto together and see if a bargain could be worked out. Surely, sir, if a private citizen could step in and gather up \$3,000,000 worth of common stock and get complete control of the Company a great city like the City of Toronto might have done likewise. At all events I repeat, sir, it was the duty of the Government, as trustees or agents for the City to have given the City an opportunity to consider whatever proposition the bond-holders through their representative had to make. (Applause). Toronto had a right to have been given an opportunity to adopt or reject the proposition. If they could make a good bargain then they likely would have made it. If



the bargain offered was not a good one they need not accept it. But, sir, it was the bounden duty of the agent, that is the Government in this case, when approached with an offer, immediately to have had that offer known to its principal, the City of Toronto; and yet, strange to relate and incomprehensible as it is, the Premier actually expresses surprise that Toronto should be mentioned in this connection. (Applause) I repeat, sir, through the intervention of, or by force from, the bondholders the Electrical Development Company could have been brought to a failure within the terms of the agreement, and having so failed the Hydro-Electric Commission could have stepped in and secured for Toronto not only the contract of the Company but the operation of all its works, including the transmission lines. And I say, sir, that in this most crucial moment in dealing with the power question the Government absolutely, ignominiously failed in the performance of its duty. (Applause).

Now, sir, another thought occurs to me. At that particular time, Mr. Speaker, I don't understand the Premier's statement to the effect that he was then tied up to the Ontario Power Company. I refuse, sir, to believe the statement. The Government may have had an option from the Power Company that the Government would take a certain amount of power at a certain price provided that the municipalities interested decided and agreed to take power from the Government. The Government certainly could not at that time, namely January last, have entered into any binding contract with the Ontario Power Company.

Mr. WHITNEY. How does the honorable gentleman know that? The honorable gentleman doesn't know the facts.

Mr. MacKAY. I am stating this with confidence—the honorable gentleman is very uneasy. I repeat, sir—I make the statement with confidence that the Government had no such binding contract. I refuse to believe, sir, that even the present Government had absolutely bound themselves to take power from the Ontario Power Company or any other power company at that time. I refuse to believe sir that even the present Government would be insane enough to absolutely bind themselves to take a certain amount of power before they knew, and had from the municipalities a binding contract, that the municipalities would take power. (Applause). Again, the honorable the Premier fails to understand the Government's position; he again forgets that the Government is merely an advance agent of the municipalities. The Government themselves would not use a single horsepower. Does he intend, therefore, to suggest that the Government at that time had absolutely bound the Province of Ontario to take power from the Ontario Power Company and pay for it although he did not then know, and doesn't yet know, whether the municipalities would take a single horsepower off the Government's hands? (Applause). I repeat, sir, I refuse to believe that even this Government would enter into any such insane contract as that. Therefore, sir, I repeat my statement that on the 29th day of January, 1908 when Major St. Aubyn interviewed the Premier the Government was absolutely free. So far as the Ontario Power Company was concerned. That being the case, Mr. Speaker, with all the information which the Premier then had, with the knowledge that the Electrical Development Company was tottering to a fall, that they could not raise money, that their bank account was overdrawn, that the bondholders were pressing them, I say, sir, it would have been good business for the honorable the Premier to have immediately called in the Mayor and Controllers and given them the chance of receiving an offer from Major St. Aubyn; but he absolutely refused to even listen to a proposition, much less to transmit it for the consideration of the City Council. That is my opinion, sir; That is the opinion of every level headed business man in this City and I don't understand, and they don't understand the Premier's position when he expresses astonishment that Toronto should be mentioned at all. Sir, I do not discuss the merits of any such proposition, nor do I say whether the city of Toronto should have made the bargain that Mr. McKenzie subsequently made or not. That is a matter that the City should have been left to decide, but I do emphatically condemn the Premier's action in slamming the door in the Major's face and thus refusing to listen even to what proposition the Major had to make on behalf of the bondholders; in neglecting to bring the City authorities and the Major into touch at once, and thus depriving the City of Toronto of the



possible chance of obtaining cheap power and allowing this chance to go over to Mr. McKenzie, who gets \$3,000,000 worth of common stock for nothing and obtains complete control of the Electrical Development Company's plant, and thus takes his first advanced step towards being the Power King of Ontario. It is perhaps as singular a failure in connection with a business problem as any Government ever exhibited. (Applause).

#### GENERAL RESULTS AS TO POWER.

Now, sir, what results have we after three years' talk about power? The Government have spent \$75,000 of the people's money and there is not as yet a single contract for delivery of power, nor the commencement of the building of a single transmission line. Practically we stand where we stood three years ago. Toronto has been thrown down and deprived of at least a possibility, nay a probability of obtaining cheaper power than she could have obtained by any other method. The by-laws submitted by all the municipalities are absolutely illegal, and further steps, legislative or otherwise, will require to be taken to cover up the Government's blunders. (Applause.)

#### GENERAL CONTRAST.

There are many other subjects which time does not permit me to deal with to-night. There is, however, one thought running throughout the Government's method of dealing with all these questions and this is the marked distinction between the position taken by the two parties in this House. It is, and always has been, the policy of the Liberal party to trust the people and to trust the municipalities. (Applause). The present Government have shown by various acts that they would neither trust the people nor the municipalities. This is the distinct line of cleavage between the two parties as seen in their respective policies on many questions. With reference to the three-fifths clause, or local option, the Liberals say trust the people and let a majority rule. The Conservatives prefer to load the dice. (Applause). With reference to this power scheme I have shown that the Liberals desired the Government to give the very fullest information to the municipalities and trust the municipalities to look after their own business interests. The present Government has done the reverse. They have not given to the municipalities the full information required by the Statute and they declined even to mention to Toronto the possibility of making an excellent bargain with the Electric Development Company. Again, sir, in connection with another question which I have discussed, namely the method of financing Toronto University, the Liberals favored trusting the people through their representatives upon the floor of the House year by year but the present Government declined to do this and consequently we have no yearly estimates. (Applause). On still another question dealt with by the present Government, that of salaries of rural school-teachers, this Government was not willing to trust the people, to co-operate with the trustees but preferred to pass an arbitrary act of a compulsory nature unsatisfactory to the people, which subsequently they were obliged to at least in part rescind. (Applause). So, in so running throughout almost all the legislative and executive work of the present Government there has been a marked line between the policy of the Liberal Party and that of the Conservatives. The difference being, sir, that the Liberals favored trusting the people and giving them full information. This Government has further shown its unwillingness to trust the people and has, in handling the power question, declined to discharge its duty by being frank and open with the people and giving to the municipalities the information called for by the Statute. (Applause).

Returning again, sir, to the financial question I discussed in this Debate I beg leave to move, seconded by Mr. Harcourt, that all the words after the first word "that" be struck out and the following substituted:—

"This House regrets the alarming yearly increase in the ordinary controllable expenditure of the Province during the last four years, noticeably under the heads of Civil Government and contingencies; the expenditure under the former, Civil Government, having risen from \$344,006 in 1904 to \$539,475 in 1907, and that under the head of contingencies from \$78,442 in 1904 to \$165,035 in 1907; and also regrets that the Government is open to a charge of carelessness and extravagance in several other items of large expenditures."